



## Town of Nantucket Finance Committee

### February 18th, 2025 – Minutes

#### REMOTE PARTICIPATION VIA ZOOM

|                    |                                                                                                                               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Staff:             | Brian Turbitt, Finance Director, Steven Hunter, Financial Analyst, Libby Gibson, Town Manager, Leslie Snell, PLUS,            |
| Attending Members: | Denice Kronau, Chair, Peter Schaeffer, Joseph Wright, Jill Vieth, Stephen Maury, Jeremy Bloomer, Joanna Roche, Rob Giacchetti |
| Absent Members:    | Chris Glowacki                                                                                                                |

#### Roll Call and Meeting Guidelines

- Denice Kronau calls the Finance Committee meeting to order, and asks for approval of the agenda.
- A motion to approve the agenda is made by Peter, seconded by Jill. **Roll call vote: Joe Aye, Stephen Aye, Peter Aye, Jill Aye, Rob Aye, Denice Aye. Passes Unanimously.**
- John Giorgio reminds members that all emails sent to the Finance Committee are public record and advises against responding to emails that violate the Open Meeting Law.
- Discussion on the recusal of members Stephen Maury and Peter Schaeffer due to potential conflicts of interest regarding short-term rentals.

#### Public Comment and Recusal Clarification

- John Giorgio explains the reasons for recusal, emphasizing that recusal means not participating in any deliberations, including offline communications.
- John Giorgio reiterates the importance of not violating the Open Meeting Law and the need for careful communication.
- Denice Kronau clarifies that recused members can speak as private citizens during public comment periods but must state they are not representing the Finance Committee.
- Denice Kronau officially recuses Stephen and Peter from the discussion on short-term rentals.

#### Discussion on Article 66: Regulating Short-Term Nantucket Vacation Rentals

- Leslie Snell introduces Article 66, the Short-Term Rental Article sponsored by Caroline Baltzer, which aims to regulate short-term Nantucket vacation rentals (NVRs).

- Caroline Baltzer explains the historical context of Nantucket's Vacation Rentals (NVRs) and the need for specific regulations to control growth and protect the community.
- Caroline highlights the success of previous bylaws in reducing corporate ownership of short-term rentals and the need for Article 66 to further regulate NVRs.
- Caroline emphasizes the importance of stopping legal bullying and the need for clear voter messages to stop unnecessary restrictions and lawsuits.
- Motion to close public comment on Article 66 (Zoning Bylaw Amendment: Regulating Short-Term Nantucket Vacation Rentals) made by Rob, seconded by Jill. **Roll call vote: Joe Aye, Joanna Aye, Jill Aye, Rob Aye, Jeremy Aye, Denice Aye. Passes Unanimously.**

#### **Finance Committee Discussion on Article 66: Regulating Short-Term Nantucket Vacation Rentals**

- Jill Vieth requests specific numbers on short-term rental tax revenues, which Brian Turbitt provides: \$8,572,811 in 2024 and \$7,948,258 in 2023.
- Brian Turbitt clarifies that the registration list was not fully updated, leading to discrepancies in reported numbers.
- Joanna Roche questions the process of voting on articles and suggests a summary of all articles before making decisions.
- John Giorgio provides an overview of the four citizen articles, highlighting the similarities and differences among them.
- Joe Wright moves to support the Planning Board's recommendation to take adopt Article 66.
- Motion to support the Planning Board motion on Article 66 (Zoning Bylaw Amendment: Regulating Short-Term Nantucket Vacation Rentals) is made by Joe, seconded by Jill. **Roll call vote: Joe Aye, Rob Aye, Joanna Aye, Jeremy Aye, Jill Aye, Denice Aye. Passes Unanimously.**

#### **Discussion on Article 67: Regulating Short-Term Rental Use**

- Fritz McClure explains the rationale behind Article 67, which aims to regulate short-term rentals through zoning bylaw.
- Fritz highlights the 30-day occupancy requirement and the exception for investment properties, which encourages off-peak rentals.
- Leslie Snell reports that the Planning Board took no action on Article 67, preferring the simplicity of Article 66.

- Fritz responds to concerns about the 30-day occupancy requirement and the enforcement of the rule.

#### **Public Comment on Article 67: Regulating Short-Term Rental Use**

- Peter Schaeffer as a citizen criticizes the 30-day occupancy requirement, arguing it will exacerbate the Nantucket shuffle and harm the off-season economy.
- Peter Kahn questions the constitutionality of the article, arguing it discriminates between residents and non-residents.
- Caroline Baltzer questions the need for the multiple dwelling limitation in Article 67 and expresses concern about the impact on historic seasonal cottages.
- Kathy Baird raises concerns about the community impact fee and the practicality of the 30-day occupancy requirement.
- Motion to close public comment on Article 67 (Zoning Bylaw Amendment: Regulating Short-Term Rental Use) made by Jill, seconded by Jeremy. **Roll call vote: Joe Aye, Rob Aye, Joanna Aye, Jill Aye, Jeremy Aye, Denice Aye. Passes Unanimously.**
- Jill Vieth moves to support the Planning Board's recommendation to take no action on Article 67.
- Motion to support the Planning Board motion on Article 67 (Zoning Bylaw Amendment: Regulating Short-Term Rental Use) is made by Jill, seconded by Joe. **Roll call vote: Rob Aye, Joe Aye, Jill Aye, Joanna Aye, Jeremy Aye, Denice Aye. Passes Unanimously.**

#### **Discussion on Article 68: General Bylaw Amendment: Short-Term Rentals – Patricia Wright**

- John Giorgio explains that Article 68 is a general bylaw that aims to regulate short-term rentals, but it may face constitutional challenges.
- Peter Schaeffer as a citizen suggests that the article was designed to bypass the two-thirds vote requirement by running it as a general bylaw.
- Peter Kahn reiterates the position of the advisory committee of non-voting taxpayers, opposition to the article, arguing it discriminates between residents and non-residents.
- Caroline Baltzer questions the article sponsor's affiliation with any group, but the sponsor is not present to respond.
- Motion to close public comment on Article 68 (General Bylaw Amendment: Short-Term Rentals – Patricia Wright) made by Jill, seconded by Joe. **Roll call vote: Joe Aye, Rob Aye, Jeremy Aye, Joanna Aye, Jill Aye, Denice Aye. Passes Unanimously.**

- Motion not to adopt Article 68 (General Bylaw Amendment: Short-Term Rentals – Patricia Wright) is made by Jeremy, seconded by Jill. **Roll call vote: Jill Aye, Joanna Aye, Jeremy Aye, Joe Aye, Rob Aye, Denice Aye. Passes Unanimously.**

#### **Overview of Article 69: General Bylaw Amendment: Short-Term Rentals – Matthew Peel**

- Matthew Peel explains the approval of a short-term rental registry to understand Nantucket's STR profile and establish rules and regulations.
- Nantucket Neighborhoods First's 2024 STM zoning article achieved 55% of the vote, but the two-thirds vote required for a zoning bylaw was deemed unlikely.
- Four ideas were proposed, including a temporary cap on STRs, systematic data gathering, and compromises on previous proposals.
- Article 69 includes five key provisions: limiting the number of STR certificates of registration to 1,350, prioritizing applications based on rental history, limiting STRs to 70 days per year, and requiring annual reports from the registry.

#### **Article 69: Concerns About Data Accuracy and Study Limitations**

- Denice Kronau questions the accuracy of the 1,350 temporary STR limit, suggesting it only represents a portion of the actual population.
- Matthew Peel responds that the 1,900 number is inflated and that the 1,350 limit is reasonable, aiming to understand the current STR impact on the island.
- Jill Vieth suggests evaluating the data from the Nantucket registry over the next few years before making regulations.
- Jeremy Bloomer questions the arbitrariness of the 1,350 limit, suggesting it should be removed if the focus is solely on data collection.

#### **Article 69: Discussion on STR Cap and Data Collection**

- Joseph Wright and Joanna Roche support the 1,350 cap, arguing it will encourage people to sign up for the registry.
- Matthew Peel acknowledges the low registry numbers due to an unstable market and lack of enforcement.
- Brian Turbitt explains the issues with the state registry, which continues to grow without de-duplication.
- Denice Kronau expresses concern that the 70-day limit and 1,350 cap may not provide accurate data on the Short-Term Rentals.

#### **Article 69: Public Comments and Additional Questions**

- Caroline Baltzer compliments Matthew Peel for his honesty and suggests focusing on ending lawsuits to resolve community issues.
- Kathy Baird questions the 2026 budget projections for rooms and meals taxes, noting a significant drop in occupancy tax revenues.
- Brian Turbitt provides detailed numbers, showing a 4% decrease in fiscal 2025 so far.
- Kit Murphy asks about the breakdown of STR payments, and Brian Turbitt explains that the state provides a lump sum without further distinction.

### **Final Discussion and Motion to Close Public Comment**

- Ron Kokot suggests waiting until 2026 to set the STR cap based on actual registrations.
- Matthew Peel explains the logic behind deleting timeshares from the registry to level the playing field.
- Denice Kronau notes that the community felt it was appropriate to allow timeshares to continue under the current regulations.
- Motion to close public comment on Article 69 (General Bylaw Amendment: Short-Term Rentals – Matthew Peel) made by Rob, seconded by Jeremy. **Roll call vote: Joe Aye, Rob Aye, Jill Aye, Jeremy Aye, Joanna Aye, Denice Aye. Passes Unanimously.**
- Motion not to adopt Article 69 (General Bylaw Amendment: Short-Term Rentals – Matthew Peel) is made by Jeremy, seconded by Rob. **Roll call vote: Joanna Nay, Joe Nay, Jill Aye, Jeremy Aye, Rob Aye, Denice Aye. Passes 4-2.**

### **Closing Remarks and Other Business**

- Denice Kronau announces the next meeting will be on Thursday at 4 PM, fully remote.
- An email from Joe Wright is read into the record, discussing the affordability of the \$100 million New Our Island Home project and suggesting alternative strategies.
- Motion to Adjourn made by Peter, seconded by Jill. **Roll call vote: Joanna Aye, Rob Aye, Jill Aye, Peter Aye, Joe Aye, Jeremy Aye, Denice Aye. Passes Unanimously.**